

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

**EMPIRE DEVELOPMENT GROUP, LLC.,
EMPIRE DEVELOPMENT GROUP FUND I, LLC.,
CASTLE HILL VENTURES, LLC,
FELIX STRASHNOV a/k/a FELIX STRATON and
MICHAEL AYN GORN,**

Defendants.
-----X


07 Civ. 3896 (PKC)

**SUPPLEMENTAL DECLARATION OF MICHAEL D. BIRNBAUM IN FURTHER
SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT**

1. I, Michael D. Birnbaum, pursuant to 28 U.S.C. 1746, declare as follows:
2. I am over 18 years of age and am employed as an attorney in the enforcement division in the New York Regional Office of the Securities and Exchange Commission ("Commission"). I submit this Supplemental Declaration in Further Support of the Commission's Motion for Summary Judgment in the above-captioned matter.
3. I make this Declaration based upon personal knowledge, information and belief. The sources of my information and the bases of my belief are documents produced by the Defendants to the Commission staff since this Court issued the Temporary Restraining Order (TRO) on May 18, 2007, Defendant EDG's written responses to the Commission's document requests, bank records acquired from third-parties, my review of testimony by Straton and Ayn gorn, at their depositions on May 29, 2007 and May 30, 2007 and my review of testimony by William Kolb at his deposition on May 25, 2007.

4. Attached hereto as Exhibit 24 is a true and correct copy of an account statement for Citibank account number 9970141796 for the statement period May 9, 2007 through June 8, 2007.
5. Attached hereto as Exhibit 25 is a true and correct copy of a bank record reflecting a wire transfer of \$11,000 from Defendants' account number 9970141796 to EDG's counsel, McCormick & O'Brian, LLP.
6. Defendants never produced documents reflecting the information contained in Exhibits 24 or 25 to the Commission.
7. Attached hereto as Exhibit 26 is a true and correct copy of relevant pages of the deposition transcript of Richard Kolb taken in connection with this matter.
8. The Commission requested repeatedly a copy of the "Code Busters" list of potential investors Defendants claim to have utilized. Counsel for EDG informed the Commission that no such list could be found and, therefore, no such list would be produced.
9. An internet search failed to identify any company named "Code Busters," or "CodeBusters" resembling the marketing company Defendants claim sold EDG a list of potential investors.
10. Pursuant to 28 U.S.C. §1746, I, Michael D. Birnbaum, declare under penalty of perjury that the foregoing is true and correct.

Executed on October 17, 2007
New York, New York


Michael D. Birnbaum

EXHIBIT

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EMPIRE DEVELOPMENT GROUP, LLC

Account 9970141796 Page 2 of 3
 Statement Period - May 9 - June 8, 2007

000002/R1/03F000/0

CitiBusiness Streamlined Checking
 9970141796

Beginning Balance: \$13,794.86
Ending Balance: \$244.19

Date	Description	Debits	Credits	Balance
5/09	DEPOSIT		47,500.00	61,294.66
5/09	CHECK NO: 5061	90.70		61,203.96
5/10	CHECK NO: 5047	450.00		60,753.96
5/11	DEBIT CARD PURCH Card Ending in 5003 RABIN GLOVE CO00014480 NEWARK NJ 07130	72.86		60,681.10
5/11	DEBIT CARD PURCH Card Ending in 5003 EXXONMOBIL 47590310 FAI LAWN NJ 07130	54.57		60,626.53
5/11	DEBIT CARD PURCH Card Ending in 5003 RABIN GLOVE CO00014480 NEWARK NJ 07130	7.97		60,618.56
5/11	CHECK NO: 5059	10,000.00		50,618.56
5/14	DEPOSIT		5,000.00	55,618.56
5/14	ATM WITHDRAWAL 1992 RALPH AV, BROOKLYN, NY	1,000.00		54,618.56
5/14	DEBIT CARD PURCH Card Ending in 5003 CORPKIT LEGAL SUPPLIES 631778338 NY 07131	58.79		54,559.77
5/15	DEPOSIT		25,000.00	79,559.77
5/15	ATM WITHDRAWAL 1992 RALPH AV, BROOKLYN, NY	1,000.00		78,559.77
5/15	DEBIT CARD PURCH Card Ending in 5003 1010 6TH AVE GARAGE CO NEWYORK NY 07132	47.00		78,512.77
5/15	CHECK NO: 5044	9,900.00		68,612.77
5/16	DEPOSIT		10,000.00	78,612.77
5/16	ATM WITHDRAWAL 1992 RALPH AV, BROOKLYN, NY	1,000.00		77,612.77
5/17	CHECK NO: 5065	4,000.00		73,612.77
5/18	ATM WITHDRAWAL 1992 RALPH AV, BROOKLYN, NY	1,000.00		72,612.77
5/18	DEBIT CARD PURCH Card Ending in 5003 BROADVIEW NETWORKS INC 800517870 NY 07137	1,000.00		71,612.77
5/18	DOM WIRE OUT	11,000.00		60,612.77
5/18	SERVICE CHARGES FEE FOR DOMESTIC FUNDS TRANSFER	25.00		60,587.77
5/18	CHECK NO: 5048	30,000.00		30,587.77
5/18	CHECK NO: 5063	15,000.00		15,587.77
5/18	ACH DEBIT OCWEN FEDERAL BA MTG PMT 7541634 May 18	7,534.57		8,053.20
5/18	ACH DEBIT OCWEN FEDERAL BA MTG PMT 7541287 May 18	1,973.90		6,079.30
5/18	ACH DEBIT OCWEN FEDERAL BA MTG PMT 7541287 May 18	19.50		6,059.80
5/18	ACH DEBIT OCWEN FEDERAL BA MTG PMT 7541634 May 18	19.50		6,040.30
5/22	DEBIT CARD PURCH Card Ending in 5011 ATTACAPANNI CLEANERS BROKLYN NY 07139	200.00		5,840.30
5/22	DEBIT CARD PURCH Card Ending in 5011 GETTY 00017001 BROKLYN NY 07141	60.11		5,780.19
5/22	CHECK NO: 5051	450.00		5,330.19
5/23	CHECK NO: 5050	450.00		4,880.19
5/29	CHECK NO: 5067	2,100.00		2,780.19
5/29	CHECK NO: 5062	17.00		2,763.19
5/30	CHECK NO: 5068	2,500.00		263.19
6/08	SERVICE CHARGE ACCT ANALYSIS DIRECT DB	19.00		244.19
	Total Debits/Credits	101,050.47	87,500.00	

Checks Paid											
Check	Date	Amount	Check	Date	Amount	Check	Date	Amount	Check	Date	Amount
5044	5/15	9,900.00	5050*	5/23	450.00	5061*	5/09	90.70	5065*	5/17	4,000.00
5047*	5/10	450.00	5051	5/22	450.00	5062	5/29	17.00	5067*	5/29	2,100.00
5048	5/18	30,000.00	5059*	5/11	10,000.00	5063	5/18	15,000.00	5068	5/30	2,500.00

* Indicates gap in check number sequence Number Checks Paid: 12 Totaling: \$74,957.70

EXHIBIT

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.1380480021 SENT ORIGINATOR (5081810042701865) BENEFICIARY
.05/18/07 03:03PM EMPIRE DEVELOPMENT GROUP MCCORMICK & O'BRIAN
.SET UP 05/18/07 1795 CONEY ISLAND AVE 60 E 42ND ST
. 10:09AM BROOKLYN NY 11230 NEW YORK, NY 10017
. \$11,000.00
. 1 7186272122 PHONE 866-853-0931
. 009970141796 B&P CHECKING ACCT# 907112411067
. SET UP BY P4635301 DEL RIO, DAVID APPROVED BY P71
. \$25.00 FEE
.20070518B1Q8024C005160 FE
.G0071382703201 GLOBAL ID

.SARPAGE 68

1865) BENEFICIARY JP MORGAN CHASE BANK NA
MCCORMICK & O'BRIAN LLP ABA 021000021
60 E 42ND ST
NEW YORK, NY 10017 NY

PHONE 866-853-0931

ACCT# 907112411067

, DAVID APPROVED BY P7167570 OSETROVA, SVETLANA

EXHIBIT

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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:
SECURITIES AND EXCHANGE :
COMMISSION, :
:
Plaintiff, :
:
v. : No. 07civ3879
:
EMPIRE DEVELOPMENT GROUP, LLC, :
EMPIRE DEVELOPMENT GROUP FUND :
I, LLC, CASTLE HILL VENTURES, :
LLC, FELIX STRASHNOV a/k/a :
FELIX STRATON and :
MICHAEL AYNGORN, :
:
Defendants. :
:
- - - - - X

Red Bank, New Jersey

Friday, May 25, 2007

Videotaped Deposition of

WILLIAM A. KOLB

taken on behalf of the Plaintiff, before CHERYL McGANN,
Certified Shorthand Reporter, Certified Realtime
Reporter, and Notary Public of the State of New Jersey,
at the Federal Bureau of Investigation, 331 Newman
Springs Road, commencing at 11:33 a.m., when were
present on behalf of the following parties:

1 Was your net worth, other than your house,
2 more or less than a million dollars over the last three
3 years?

4 A Much less.

5 Q Was it more or less than half a million?

6 A Much less.

7 Q Okay. Have you ever invested with a company
8 called Empire Development Group?

9 A Yes, I have.

10 Q About how much did you invest with Empire
11 Development Group?

12 A Eleven-and-a-half thousand is the amount.

13 Q Did you make the investment all at once?

14 A No, I didn't.

15 Q In how many installments did you make your
16 investments?

17 A One of 5,000, one of 4,000, and one of 2,500.

18 MR. PALEY: We are going to mark as an exhibit
19 Exhibit 1, a three-page document.

20 Meaghan Cheung will be forwarding it to
21 counsel for the -- for Empire by e-mail at the moment.

22 The three-page document appears to be copies

1 would wait until we are back on the record.

2 What was it you were going to say?

3 A About the money that I had inherited. My
4 brother-in-law worked as a garbage collector in New
5 York, and he got in an accident where a dead tree come
6 down and hit him in the head and paralyzed him; and he
7 went through the courts and he was awarded \$4 million.
8 And by the time he got the payoff, it was a little
9 under a million. And they had to pay off different
10 Judges, and so forth, and so on. And the Court -- and
11 then when he died, he left my wife everything because
12 he didn't like -- he didn't want his sister-in-law to
13 get anything. But when my wife died, she divvied it up
14 where the sister-in-law got half of everything.

15 So that's why we come -- that's where my money
16 come from. It included all types of stocks and things
17 that I suddenly inherited, you know, and then they
18 probably all went down one after the other after the
19 other. But that's how I -- I was never an operator in
20 any way. I was only a painter all my life for 46
21 years. I retired from the East Orange Board of
22 Education after 32 years. I did become head painter.